

The California Solar Initiative:

The California Solar Initiative offers financial incentives for solar installations based on the expected performance of a given solar installation. The expected performance is derived from the size of the solar array, and also takes into consideration the angle and location of the system installation. For larger systems, the incentive is based on the actual performance of the system over the first five years.

The incentive level available to a given project is determined by currently available incentive in each utility territory for each customer class. The CSI was designed so that the incentive level decreases over ten steps, after which it goes to \$0, as the total demand for solar energy systems grows.

The CPUC divided the overall goal of 1,750 megawatts by the ten declining steps. Each step has megawatts allocated to each Program Administrator and customer class, residential and non-residential (a combination of commercial and government/non-profit). Once the total number of megawatts for each step is reached within a particular customer class, the Program Administrator moves to the next step and offers a lower incentive level for that class. Therefore, high commercial demand in SCE's territory will not lower the incentive level offered to PG&E's residential customers, and so on. Figure 1 offers a visual explanation of the increasing megawatt installations and decreasing incentive levels over the life of the program. The orange box in each "Incentive Step Level" represents the available megawatts at that incentive value. The yellow box represents the cumulative installed megawatts as the program proceeds through the steps.

Figure 1

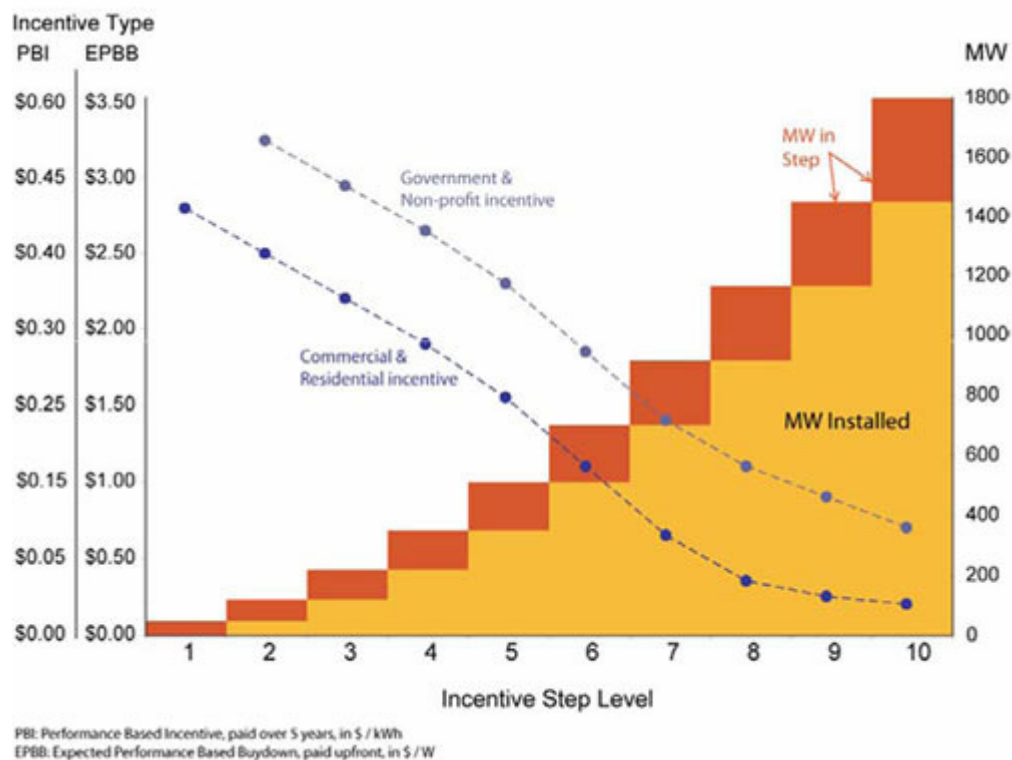


Figure 1: Graph from CPUC

The California Solar Initiative pays solar consumers their incentive either all-at-once for smaller systems, or over the course of five years, for larger systems. The program's two incentive payment types are:

- **Expected Performance-Based Buy-Down, or EPBB:**
In 2008-9, systems smaller than 50kW in capacity can receive a one-time, up-front incentive based on expected performance, and calculated by equipment ratings and installation factors (geographic location, tilt and shading). EPBB payments are provided on a \$ per watt basis. EPBB is available for systems under 30 KW after 2010. Systems eligible for EPBB can choose to opt-in to the PBI system described below.
- **Performance Based Incentive, or PBI:**
As of January 1, 2008, all systems over 50 kW must take the PBI, and by 2010 all system over 30 kW must be on PBI. Any sized system can elect to take PBI. The PBI pays out an incentive, based on actual kWh production, over a period of five years. PBI payments are provided on a \$ per kilowatt-hour basis.

The California Solar Initiative - CSI

Single Family Low Income Program

On November 17th, 2007, the CPUC adopted the innovative \$108 million CSI Single Family Low Income Incentive Program. GRID Alternatives, a non-profit solar organization, manages the Single Family Low Income Program on the Commission's behalf. The CSI Single Family Low Income Program provides fully subsidized 1 kW systems to very low income households, and highly subsidized systems to other low income households.

To qualify for a fully subsidized 1 kW system, homeowners must meet the legal definition of "low-income residential housing" in Public Utilities Code 2852 (see the text of Assembly Bill 2723, which established this definition, above). Eligibility is limited to those households who financed their home through local, state and federal housing assistance programs and whose household income is at or below the 50 percent of the area median income.

Eligibility for a highly subsidized solar system is determined by housing stock eligibility (P.U. Code 2852 as amended by AB 2723, above), Federal Income Tax liability, and eligibility for the California Alternative Rates for Energy (CARE) Program. Lump-sum incentives will be provided at the following per-watt rates:

Incentive Rates for Highly Subsidized Systems (shown in \$ per watt)

Federal Income Tax Liability	CARE Eligible	Not CARE Eligible
\$0	\$7.00	\$5.75
\$1 to \$1,000	\$6.50	\$5.25
\$1,001 to \$2,000	\$6.00	\$4.75

For questions about the California Solar Initiative Single-Family Low-Income Program, including eligibility information, information on solar power and energy efficiency measures, and application information, please contact GRID Alternatives toll-free at 866-921-4696, ext 802, by e-mail at sfli@gridalternatives.org, or visit their website at www.gridalternatives.org

For regulatory information and proceedings, please first review the CPUC website at www.cpuc.ca.gov/PUC/energy/Solar/070424_csilowincome.htm , then contact the CPUC at energy@cpuc.ca.gov, subject line "CSI Single Family Low Income" or call the CPUC Distributed Generation Hotline at 415-355-5586 with additional questions.

Multifamily Affordable Solar Housing (MASH)

Solar Incentives for Multifamily Affordable Housing Properties are now available!

The Multifamily Affordable Solar Housing (MASH) Program provides solar incentives on qualifying affordable housing multifamily dwellings. The MASH program provides two types of incentives- Track 1 incentives and Track 2 incentives. Track 1 incentives provide fixed, up front capacity-based incentives for solar PV systems that offset common area and tenant loads. The MASH Track 1 incentive rate structure is as follows:

MASH Track 1 Incentive Rates (shown in \$ per watt)

Track 1A: PV System Offsetting Common Area Load	Track 1B: PV System Offsetting Tenant Load
\$3.30	\$4.00

Track 2 offers higher incentives to applicants who provide quantifiable "direct tenant benefits" (i.e. any operating costs savings from solar that are shared with their tenants). Track 2 incentives will be accepted every six months through a competitive process. The MASH Program Administrators are currently developing a statewide application and review process for Track 2 incentives.